

TESTIMONY IN SUPPORT OF S.B. 647 & H.B. 7184

Co-Chairs Sen. Fonfara and Rep. D'Agostino, and Ranking Members Sen. Witkos and Rep. Cheeseman, and members of the General Law Committee,

Thank you for the opportunity to submit testimony in support of S.B. 647 and H.B. 7184. My name is **Robert Kaye and I'm a resident of Redding and President of Nod Hill Brewery**. I'm writing to you today in support of this legislative proposal, specifically the increase of direct to consumer limits for off-premise consumption at Connecticut breweries, and the exemption for craft breweries from paying an excise tax for on-premise consumption sales. We appreciate the governor for having this as part of his budget proposal.

Our tap room (company store) is a showcase for our product and brand. Similar to any other manufacturer's company store.

Why does Nike, the largest sneaker brand in the world feel they need to have company owned stores? It is to showcase their product and have control of their branding and imaging. Nike and every other manufacturer do not have that type of control in a retail outlet.

I own another company in the state in a different business sector, and it has grown from 8 to 40+ employees in 12 years. We are also planning on hiring additional staff in 2019. From the outside looking in, in operating a successful company to owning a brewery start-up, I think the overriding goal for the state should be job creation. We all know the more tax burden put on any business, slows job growth. This is what the excise tax will do.

I see the proposed Bill misses the real issue here, which is the opportunity to increase off-site sales of craft beer through distribution, and as a result the increase in tax revenues. This is why I think it is in everybody's interest to reexamine the franchise law, so it truly benefits not just the distributor but the craft brewing industry as well.

The Connecticut craft beer industry is unlike any other, it's a brotherhood and sisterhood where we share one commonality - beer. We are all competitors, yet the comradery between all of us is unparalleled. And, we employ nearly 5,000 people statewide.

We support every single other brewery in our state, from brewing beer collaborations to sharing ingredients, equipment, ideas, and recipes, and assist new breweries as they open and operate. We are supporters of our CT Brewers Guild, our governing association dedicated to

protecting and promoting our industry, where we are working cohesively to make this industry better and are assisting with its continual growth.

As our brewery strives to remain competitive in this ever-growing market, it's necessary to modernize our states alcohol laws. Our brewery works/plans to work with our wholesalers, distributors, restaurants and bars, and package stores within our three-tiered system and appreciate our partnerships with them.

The added benefits of increasing direct-to-consumer sales limits for the state of Connecticut are tremendous and It will only continue to add to the massive economic impact that our industry has on our state, allow our brewery to reinvest in our business, create more jobs, increase our production, and simply sell more of our product.

Increasing the limits on the direct to consumers sales will allow my brewery to compete with breweries in our surrounding states and keep our consumer's purchases and money here in Connecticut.

I would like to thank you all for your efforts in supporting our craft beer industry and hope that you proceed with increasing the limits for direct to consumer sales for off-premise consumption at Connecticut breweries.

Sincerely,
Robert Kaye
